

| Particulars            | Debit<br>Rs.    | Credit<br>Rs.   |
|------------------------|-----------------|-----------------|
| Sundry Debtors         | 62,000          |                 |
| Return Outwards        |                 | 3,000           |
| Loan from Bank         |                 | 20,000          |
| Wages                  | 40,970          |                 |
| Return Inwards         | 2,780           |                 |
| Purchases              | 2,69,590        |                 |
| Sales                  |                 | 3,50,430        |
| Commission Received    |                 | 5,640           |
| Rent and Tax           | 5,620           |                 |
| Stock (31.01.2019)     | 89,680          |                 |
| Salaries               | 11,000          |                 |
| Travelling Expenses    | 1,880           |                 |
| Insurance              | 400             |                 |
| Cash in Hand           | 500             |                 |
| Cash at Bank           | 19,000          |                 |
| Repairs                | 3,370           |                 |
| Interest on Loan       | 5,360           |                 |
| Bad Debts              | 3,400           |                 |
| Sundry Creditors       |                 | 66,190          |
| Furniture and Fittings | 8,800           |                 |
|                        | <u>5,74,700</u> | <u>5,74,700</u> |

APRIL/MAY 2023

## GOCM25B/DOCM25B — ELEMENTS OF ACCOUNTING

Time : Three hours

Maximum : 75 marks

### SECTION A — (10 × 2 = 20 marks)

Answer ALL questions.

- What is accounting?
- Explain business entity concept.
- What is Ledger?
- What do you mean by Trial Balance?
- What is Purchase Return Book?
- What is meant by error of posting?
- What is Trading Account?
- State the meaning of Depreciation
- Give journal entries for the following:
  - Mr X commenced business with a capital of Rs.500000.
  - Paid to Mohan Rs.15000.
- Rectify the errors:
  - Rs.12,150 received from Ramu was posted to the debit of his account
  - Sold old furniture for Rs.3,500 passed through the sales book.



SECTION B — (5 × 5 = 25 marks)

Answer ALL questions.

11. (a) State the rules of accounts with suitable examples.

Or

- (b) Explain any four accounting concepts

12. (a) The following occurred during the month of March 2020.

- 02 Purchased Furniture for Rs.12,000.  
05 Spent Rs.5,000 for general expenses  
10 Received cash from Sundar Rs.14,000  
15 Purchased goods worth Rs.25,600 from Arun  
20 Sold goods for Rs. 18,600 for cash  
25 purchased goods from Asha Rs.15,525

Journalise the above transactions.

Or

- (b) State the purpose of preparing Ledger accounts.

13. (a) Prepare a Trial Balances of Mr. Karthik as on 31<sup>st</sup> December 2016.

|                 | Rs.      |           | Rs.      |
|-----------------|----------|-----------|----------|
| Cash in Hand    | 50,000   | Capital   | 8,40,000 |
| Cast at Bank    | 1,69,400 | Building  | 2,30,000 |
| Salaries        | 1,88,000 | Machinery | 1,20,000 |
| Rent            | 96,000   | Furniture | 22000    |
| Commission Paid | 2 800    | Motor Car | 1,36,000 |
| Rent and Taxes  | 5,200    | Purchases | 1,88,000 |

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- (c) Discount for Rs.4500 received was posted to the debit of discount account.  
(d) Rs.6,165 paid for Repairs to car was debited to machinery account as Rs.3,915.  
(e) Rs.9,000 paid to J. Sathish was debited to R. Sathish account.

Give journal entries to rectify the above errors and ascertain the amount transferred to Suspense Account on 31<sup>st</sup> May 2016 by showing the Suspense Account, assuming that it is balanced after the above corrections.

20. The following is the trial balance of Ms Dora. Prepare the Trading and Profit and Loss Account for the year ended 31<sup>st</sup> December 2013 and the Balance Sheet as on that date after making the following adjustments.

- (a) Stock on hand on 31<sup>st</sup> December 2013 was Rs. 1,25,000  
(b) Rs.300 were outstanding for wages  
(c) Insurance prepaid amounted to Rs.80  
(d) Commission accrued but not received Rs.250  
(e) Depreciation plant and machinery by 10%

Trial Balance as on 31.12.2013

| Particulars       | Debit<br>Rs. | Credit<br>Rs. |
|-------------------|--------------|---------------|
| Capital Account   |              | 1,29,440      |
| Drawings Account  | 11,550       |               |
| Bills Receivable  | 9,500        |               |
| Plant & Machinery | 28,800       |               |

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18. Prepare a Three -Column Cash Book From the following transactions.

| Date       | Particulars   | Rs.    |
|------------|---|--------|
| 01.04.2012 | Introduced capital  | 10,000 |
| 01.04.2012 | Deposited cash into bank  | 8,000  |
| 04.04.2012 | Purchased machinery-payment made by cheque                              | 6,000  |
| 10.04.2012 | Purchased furniture through cheque                                      | 2,000  |
| 15.04.2012 | Purchased goods through cheque  | 900    |
| 18.04.2012 | Withdrew from bank for office use                                       | 200    |
| 20.04.2012 | Sold goods to Buji on credit  | 1,600  |
| 22.04.2012 | Deposited cash into bank  | 600    |
| 25.04.2012 | purchased goods from Dora on credit                                     | 2,000  |
| 26.04.2012 | Sold goods — payment received in cheque being deposited on the same day | 2,000  |
| 27.04.2012 | Paid Dora by cheque in full settlement of his account                   | 960    |
|            | Discount  | 40     |
| 30.04.2012 | Received from Patu in settlement of his account                         | 2,450  |
|            | Discount  | 50     |
| 31.04.2012 | Withdrew cash from bank for personal use                                | 200    |

19. Rectify the following errors:

- (a) Rs. 12,150 received from Rajesh was posted to the debit of his account.
- (b) Rs.2,250 being purchase returns were posted to the debit of purchase account.

|                  | Rs.   |                            | Rs.      |
|------------------|-------|----------------------------|----------|
| Bad Debts        | 6,400 | Sales                      | 3,92,000 |
| Insurance        | 4,800 | Sundry Debtors             | 32,400   |
| Sundry Creditors | 1,600 | Reserve for Doubtful Debts | 14,600   |
|                  |       | Opening Stock              | 1,72,000 |

Or

- (b) Prepare petty cash book on imprest system from the following transactions:

| Date       | Particulars                        | Rs.   |
|------------|------------------------------------|-------|
| 01.06.2015 | Received for petty cash payments   | 2,000 |
| 02.06.2015 | Paid for Postage                   | 160   |
| 05.06.2015 | Paid for Stationery                | 100   |
| 08.06.2015 | Paid for Advertisement             | 200   |
| 12.06.2015 | Paid for Wages                     | 80    |
| 16.06.2015 | Paid for Carriage                  | 60    |
| 20.06.2015 | Paid for Conveyance                | 88    |
| 25.06.2015 | Paid for travelling expenses       | 320   |
| 27.06.2015 | Paid for postage                   | 200   |
| 28.06.2015 | Wages to office cleaner            | 40    |
| 30.06.2015 | Paid for Telegrams                 | 80    |
| 30.06.2015 | Sent registered notice to landlord | 12    |

14. (a) Rectify the following errors.

- (i) A customer's bill for Rs 3,500 for the erection of a store room was debited to repairs account
- (ii) A cheque for Rs. 4,500 received Sathik was dishonoured and debited to allowance account.



- (iii) Salaries paid for the firms workers for making certain additions to machinery amounting to Rs.7,500 were posted to salaries account.
- (iv) Goods value for Rs.3,500 returned by Sheik were include is stock but not entried in the books.
- (v) A sum Rs.5,000 drawn by the proprietor was debited to travelling expenses account.

Or

(b) How do you classify errors?

15. (a) The sundry debtors on 31<sup>st</sup> December 1995 amount to Rs.40,000. On analysis, it is found that debtors for Rs.36,000 are good. The debtors for 3,000 are doubtful and are estimated to realise two-thirds of the amount and the debtors for Rs. 1,000 are bad. Make a provision for doubtful debts.

Or

(b) Prepare a balance sheet from the following given below :

| Particulars          | Rs.      | Particulars            | Rs.      |
|----------------------|----------|------------------------|----------|
| Capital              | 2,00,000 | Bills Receivable       | 20,000   |
| Bank Overdraft       | 1,20,000 | Land and Building      | 60,000   |
| Salaries Outstanding | 70,000   | Plant and Machinery    | 80,000   |
| Wages Outstanding    | 50,000   | Furniture and Fixtures | 1,00,000 |
| Net Profit           | 1,00,000 | Stock                  | 1,20,000 |
| Drawings             | 40,000   | Cash in Hand           | 1,10,000 |

| Particulars      | Rs.      | Particulars    | Rs.      |
|------------------|----------|----------------|----------|
| Bills Payable    | 80,000   | Cash at Bank   | 90,000   |
| Sundry Creditors | 1,00,000 | Sundry Debtors | 1,00,000 |

### SECTION C — (3 × 10 = 30 marks)

Answer any THREE questions.

16. Describe the various accounting conventions.
17. Journalise the following transactions in the books of Suresh.

Jan.

2010

- 1 Suresh commenced business with a capital of Rs.8,50,000
- 3 Purchased furniture for office Rs.30,000
- 8 Deposited cash into bank Rs. 1,50,000
- 10 Purchased goods Rs.1,25,000 for cash
- 13 Withdrew cash from bank for office use Rs.25,000
- 15 Telephone charges paid Rs.1,500
- 17 Dividend received in cash Rs.2,000
- 18 Sold HP printer for cash Rs.17,500
- 19 Purchased motor car from Prem Rs.80,000
- 28 Land sold to Karthick Rs.83,500
- 30 Paid wages Rs.12,500, commission Rs.24,000 and conveyance charges Rs.2,200